

Message Text

LIMITED OFFICIAL USE

PAGE 01 USBERL 00820 231452Z

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-04 H-01

L-03 NSC-05 PA-01 PRS-01 SS-15 /085 W

-----232333Z 056383 /45

R 231525Z MAR 77

FM USMISSION USBERLIN

TO SECSTATE WASHDC 4272

INFO AMEMBASSY BONN

LIMITED OFFICIAL USE USBERLIN 0820

E.O.11652: NXA

TAGS: EGEN, EINV, GW, WB

SUBJECT: BERLIN BEUFTRAGTEN MEET AGAIN

1. SUMMARY: MINISTER FRIDRICHS USED BEAUFTRAGTEN MEETING TO WARN UNIONS NOT TO PUSH TOO HARD ON BERLIN INVESTMENT. SENAT INTEREST MAY BE SHIFTING TO SMALLER AND MIDDLE SIZED FIRMS AS INVESTMENT TARGETS. END SUMMARY.

2. SCHEDULED MEETING OF BERLIN BEUFTRAGTEN HELD MARCH 21 UNDER CHAIRMANSHIP OF MINISTER OF ECONOMICS BRIEFLY REVIEWED ECONOMIC DEVELOPMENTS IN FRG (FAVORABLE) AND BERLIN (UNCERTAIN). FRIDERICHS PRAISED IMPROVED BUSINESS-SENAT RELATIONSHIP AND NEW ATMOSPHERE OF MUTUAL CONFIDENCE WHICH WAS BEING DEVELOPED. HE THEN WARNED THAT ANY EFFORT TO INTERFERE IN BUSINESS DECISIONS ON USE OF RESOURCES WOULD BE COUNTER-PRODUCTIVE FOR BERLIN. (FRIDERICHS WAS REFERRING TO A POSSIBLE PROTEST OF 25,000 WORKERS WHICH I.G. METAL HAD THREATENED TO ORGANIZE IN SOLIDARITY WITH THOSE WHO LOST JOBS SOME MONTHS AGO WITH CLOSURE OF AEG BERLIN SMALL MOTORS PLANT.) FRIDERICHS WAS FOLLOWED BY BERLIN CHAMBER OF INDUSTRY AND COMMERCE (IHK) PRESIDENT HORST ELFE WHOSE MAIN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 USBERL 00820 231452Z

POINT WAS THAT IF THERE WAS INDEED AN UPWARD ECONOMIC TREND IN FRG, THE IMPACT ON BERLIN WAS WEAK. IHK GENERAL MANAGER BRAUN REPORTED ON SEMINARS WHICH HAVE BEEN ORGANIZED TO INFORM THE FINANCIAL EXPERTS OF BEAUFTRAGTE FIRMS OF THE DETAILS OF THE BERLIN PROMOTION LAWS.

3. BERLIN BEAUFTRAGTEN THEN REPORTED ON ACTIONS THEIR

FIRMS WERE TAKING WITH RESPECT TO BERLIN. ITT BEAUF-
TRAGTE REPORTED THE MOVEMENT TO BERLIN OF SEVERAL LINES
OF PRODUCTION. (THIS HAD TAKEN PLACE QUIETLY LAST YEAR
BUT HAD NOT BEEN PUBLICIZED BECAUSE ITT FEARED ADVERSE
PUBLICITY IN FRG AREAS FROM WHICH ACTIVITIES HAD BEEN
REMOVED WOULD COUNTER-BALANCE WHATEVER FAVORABLE PUBLICITY
GAINED IN BERLIN.) BMW'S REPORT ON ITS DECISION TO EXPAND
MOTORCYCLE PRODUCTION IN BERLIN WAS LISTENED TO WITH
PARTICULAR CARE. BMW ASSERTED THAT IT HAD STUDIED FRG,
NORTHERN ITALY AND IRELAND BEFORE REACHING A DECISION ON
BERLIN ON PURELY ECONOMIC CONSIDERATIONS. VOLKSWAGEN
BEUFTRAGTE STATED VW ALSO INVESTIGATING THE POSSIBILITY
OF SOME SUPPORTING MOVES FOR TH BERLIN ECONOMY.

4. COMMENT: IN A DISCUSSION PRIOR TO MEETING, SENATOR
LUEDAER CONFIDED THAT THE LAST MEETING OF THER BERLIN
BEAUFTRAGTEN HAD BEEN SHOCK TO HIM. THE LACK OF KNOWLEDGE
ON THE PART OF REPRESENTATIVES OF THE LARGE FIRMS ON
THE WHOLE RANGE OF BERLIN INVESTMENT PREFERENCES AND
ADVANTAGES WAS DEPRESSING. THE SEMINARS ORGANIZED BY
BRAUN HAD BEEN DEVOTED TO REMEDYING THIS GAP IN
BEAUFTRAGTEN KNOWLEDGE. THE SENAT HAD BEEN REVIEWING
ITS PROMOTIONAL TARGETS, AND INCREASINGLY QUESTIONED
WHETHER THE PREOCCUPATION WITH MAJOR GERMAN MULTI-
REGIONALS WAS REALISTIC. MORE ATTENTION WOULD BE PAID
TO CONTACT WITH THE SMALLER AND MIDDLE LEVEL BUSINESSES.
POSSIBLY REFLECTING SOME FEELING MAJOR FIRMS HAD BEEN
CULTIVATED SUFFICIENTLY FOR PRESENT, NEXT MEETING OF
BERLIN BEAUFTRAGTEN HAS BEEN UNOFFICIALLY SET FOR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 USBERL 00820 231452Z

JANUARY 1978. GEORGE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, PUBLIC DEMONSTRATIONS, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977USBERL00820
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770100-0416
Format: TEL
From: USBERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770328/aaaaayre.tel
Line Count: 98
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0a5320b3-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3014926
Secure: OPEN
Status: NATIVE
Subject: BERLIN BEUFRACTEN MEET AGAIN
TAGS: EGEN, EINV, GE, WB, BERLIN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0a5320b3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009